

 <p>h&f the low tax borough</p>	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">2 SEPTEMBER 2013</p>
<p align="center">HAMMERSMITH LIBRARY REFURBISHMENT AND THE RELOCATION OF ARCHIVES PROCUREMENT</p>	
<p>Report of the Cabinet Member for Residents Services : Councillor Greg Smith</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: Hammersmith Broadway, Avonmore and Brook Green</p>	
<p>Accountable Executive Director: Lyn Carpenter, Environment Leisure & Residents Services</p>	
<p>Report Author: Tony Rice, Tri-borough Libraries Operations Manager</p>	<p>Contact Details: Tel: 020 641 8970 trice@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The refurbishment of Hammersmith Library is a key corporate priority for the coming year. The scope of the project is to extend the “More than a Library Brand” already implemented at other H&F libraries. It will improve the customer offer, repair and upgrade the fabric of the building as well as ensuring the refurbished facility is as cost effective as possible.
- 1.2. A second strand of the project is to relocate the Archives Service and Local Studies collection to Hammersmith Library. These collections are currently housed in the Lilla Huset, for which the lease expires in 2016. The relocation will prove a long term sustainable solution for the collections.
- 1.3. Funding of £2.69m was approved by Cabinet on 8 April 2013 in the report Hammersmith Library Refurbishment and Archives Option paper. Authorisation of the future spend and draw down of associated S106 monies was delegated to the Deputy Leader and Cabinet Member for Residents Services in consultation with the Executive Director for Environment, Leisure & Residents Services and the Executive Director for Finance.

2. RECOMMENDATIONS

- 2.1 That approval be given to the “Scape” framework as the procurement route for this project.
- 2.2 That the authorisation of the award of the future contracts resulting from the framework, to a value that falls within the overall approved budget for the scheme, be delegated to Cabinet Member for Residents Services in conjunction with the Executive Director for Environment, Leisure and Residents Services and the Executive Director of Finance and Corporate Governance.

3. REASONS FOR DECISION

- 3.1. To enable the completion of the refurbishment of Hammersmith Library, which is a key corporate priority for 2013/14, and the relocation of the Archives service in a cost effective and timely manner, and in line with the required completion date.

4. INTRODUCTION AND BACKGROUND

- 4.1. The refurbishment of Hammersmith Library is a key corporate priority for the coming year. The scope of the project is to extend the “More than a Library Brand” already implemented at other H&F libraries. It aims to incorporate all opportunities to improve the customer offer, to repair and upgrade the fabric of the building as well as ensuring the refurbished facility is as cost effective as possible.
- 4.2. A second strand of the project is to relocate the Archives Service and Local Studies collection to Hammersmith Library. These collections are currently housed in the Lilla Huset, for which the lease expires in 2016. The relocation will prove a long term sustainable solution for the collections.
- 4.3. Funding of £2.69m was approved by Cabinet on 8 April 2013 in the report Hammersmith Library Refurbishment and Archives Option Cabinet Report.
- 4.4. Authorisation of the future spend and draw down of associated S106 monies was delegated to the Deputy Leader and Cabinet Member for Residents Services in consultation with the Executive Director for Environment, Leisure & Residents Services and the Executive Director for Finance in the above report.
- 4.5. A cost effective and timely method of procurement has subsequently been considered and recommendations are contained in section 5. Due to the extent of the core works required, having an overall value in the region of

£2m, Cabinet approval to commit to the procurement of these works is required.

- 4.6. This report is seeking Cabinet to approve the preferred framework procurement route and to delegate the authorisation of the award of the future contracts resulting from the framework, to a value that falls within the overall approved budget for the scheme, to the Executive Director for Environment, Leisure & Residents Services and the Executive Director for Finance.

5. CONSIDERATIONS

- 5.1. The Cabinet Report of the 8 April included an indicative time line and required completion date of June 2014. EC Harris (ECH) have subsequently prepared a programme which allows for the works to be completed in three phases:
- Phase 1 - Works to the public areas and the external parts to be completed by 28 March 2014
 - Phase 2 – Works to the staff areas on the ground and first floors, the second floor and staff staircases to completed by 27 June 2014
 - Phase 3 - The works to the basement archive room which are required to be completed by 27 June 2014.
- 5.2. The above completion dates entail a start on site at the beginning of October 2013. ECH have advised that these timescales are very tight and that completion of the works within those timescales is unlikely to be achieved if they are procured under a “traditional” procurement route or a design and build procurement route.
- 5.3. A Tender Appraisal Panel (TAP) was held on 15 May 2013, this was held to discuss the most practical and cost effective procurement route for the works to ensure that all 3 phases of the Hammersmith Library Refurbishment scheme are completed within the above timescales. This was attended by representatives from the library service, including the finance business partner, H&F Procurement, H&F Legal Services contract lawyer, H&F Building Property Management (BPM) and EC Harris.
- 5.4. ECH Harris proposed that the most appropriate procurement route to be via a framework agreement. Consideration has been given to several procurement routes, including procuring the works as a “design and build” project and procuring via Constructionline. However the timescales required under these processes conflicts with the need to allow a contractor to commence works on site at the beginning of October 2014, while the Scape framework is considered to be the most practical for this scheme while also delivering Value For Money (VFM). A design and build route would, for example not save time, as any time saved in issuing the initial tender documents would be countered by the additional time required to evaluate competitive tenders and review contractor’s proposals. In addition ECH advised that the need for planning permission

and listed building consent requires a design to be agreed at a relatively early stage and a design and build procurement route would delay this considerably. The Constructline route involves writing to contractors in advance of the tender to enquire if they are interested and obtaining approval from H&F in respect of contractor selection.

The Scape Framework¹

- 5.5. Scape comprises two principal frameworks
- Minor works – Projects up to £2m (Kier are the framework contractor)
 - Major works – Projects in excess of £2m (Wilmot Dixon are the framework contractor)
- 5.6. All parties agreed that the works should be procured under the minor works framework (Keir). The contract value would represent a significant project for the provider and would therefore be prioritised.
- 5.7. The Scape framework is in effect, a management contract with all preliminaries and office overheads having been previously procured under a competitive process. Kier will then confirm the various works packages with H&F that the contract should be broken down to and will then obtain competitive tenders from three contractors for each of the works packages. On this basis H&F will obtain competitive prices for the works and value for money will be achieved.
- 5.8. Concern has previously been expressed that local authorities were not specifically mentioned in the Scape framework and that this may prevent H&F from appointing a contractor under the framework. However, H&F Legal Services have confirmed that local authorities are specifically noted in the agreement.

The Benefits of Scape

- 5.9. H&F have signed up to the Scape agreement and H&F are able to appoint a framework contractor in accordance with this process.
- 5.10. The framework contractor has already been subject to a competitive process and the works packages will also be subject to competitive mini-tenders which will be evaluated by H&F/ECH. This ensures that the works are let under a competitive basis and that value for money can be achieved.
- 5.11. Confirmation of the appointment of a contractor at the earliest possible stage is critical to enable negotiations to commence with highways to enable applications for traffic management to be submitted within a reasonable timeframe. If the project was to be procured via a competitive tender the appointment of a contractor would not be made until the end of

¹ **Scape System Build Limited.** Scape System Build Ltd is a Local Authority controlled company wholly owned by Derby City, Derbyshire County, Gateshead, Nottingham City, Nottinghamshire County and Warwickshire County Councils in equal shares. The company is defined as a Central Purchasing Body within the UK under the Public Contracts Regulations 2006 (as amended).

September 2013. Only then could applications for traffic management be submitted to the highways department.

- 5.12. Appointment of a contractor at the earliest possible stage will also facilitate the applications for planning permission and listed building consent. The contractor can advise on buildability issues which may influence design.
- 5.13. Early engagement with the contractor will ensure that the contractor can consider the logistics and organisation of the works at an early stage and will ensure that when works do commence they are fully prepared and will reduce the risk of delays to the progress of the works.
- 5.14. All parties to the TAP meeting agreed that procuring the works under the Scape agreement was the most practical and cost effective way of achieving delivery of the works within the required timeframe. H&F Legal Services have confirmed that procurement of the works under Scape would be acceptable provided H&F are satisfied that the costs are properly managed and controlled.

6. FINANCIAL IMPLICATIONS

- 6.1. There are no financial implications from using the Scape framework which is designed to provide the best possible value. All packages are let using three tenders and prices are open book and the NEC 3 Option C contract incentivises accuracy of pricing through a “pain/gain” share mechanism which favours clients.
- 6.2. If the Scape Minor Works procurement framework is not adopted, a lengthier procurement process will need to be pursued given the contract value and target completion of the works will not be possible by March 2014. Consequently, there would likely be significant additional costs incurred.
- 6.3. If the Scape procurement framework is not adopted, a lengthier procurement process will need to be pursued given the contract value and target completion of the works will not be possible by March 2014. Consequently, there would likely be significant additional costs incurred.
- 6.4. Financial Implications confirmed by : Annelie Drabu 11/06/2013
Telephone number 020 641 3449

7. TIMETABLE FOR IMPLEMENTATION

- 7.1. See paragraph 5.1.

8. EQUALITY IMPLICATIONS

- 8.1. This proposal has been subjected to an initial sweep for equalities and the greatly improved physical access and improved signage will have a particularly positive impact for the disabled and the less mobile elderly. EIA considerations will inform the thinking when developing detailed internal layout plans and future service delivery. As a result of this screening, it has been decided that a full equality impact assessment is not required.

9. LEGAL IMPLICATIONS

- 9.1. On the basis that the frameworks are a single supplier framework (i.e. direct call-offs), the legal implications are as follows:

"The direct award of any call-off contract will need to be made in compliance with Regulation 19(5)(a) of the Public Contracts Regulations 2006. This Regulation specifies that the call-off contract shall be awarded within the limits of the terms laid down in the framework agreement. Consequently the terms of the framework will have to be sufficiently clear and specific. The necessary contract documentation should be in place to govern the contractual arrangement between the contractor and the council.

- 9.2. Legal Services will be available to assist the client department with preparing and completing the necessary contract documentation.
- 9.3. Legal implications provided by; Kar-Yee Chan 11/06/2013, Telephone number 0020 8753 2772

10. RISK MANAGEMENT

- 10.1. Hammersmith Library is a listed building; as such there are Heritage constraints, and these will be managed and logged as part of the programme delivery. The appropriate heritage groups are being consulted as part of any planning application process. All mandatory regulatory requirements will be complied and with in consultation with the Council's Heritage Officer.
- 10.2. The project working group in conjunction with ECH are developing a risk register, which will be developed further jointly with Keir post appointment in order that risks can be managed throughout the duration of the project.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1. The Council is able to draw down from the national framework agreement drawn up by **Scape System Build Ltd** being a local authority controlled company and defined as a Central Purchasing Body within the UK under the Public Contracts Regulations 2006 (as amended).

11.2. The Director supports the recommendations contained in the report.

11.3. Procurement implications provided by: Alan Parry 11/06/2013
Telephone number 0020 8753 2581

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Hammersmith Library Refurbishment and Archives Option Cabinet Report 8th April 2013 (published).	Tony Rice	Tri-borough Libraries

Appendix Hammersmith Refurbishment - Indicative Costs

FABRIC WORKS	Priority	Original Cost Estimates	Full Project inc Archives	Notes
Repairs to the pitched roof	1	15,000	15,000	
Repairs to the flat roof	1	17,500	17,500	
Repairs to the rainwater goods and waste drainage	1	5,000	5,000	
Repairs to external masonry	1	75,000	75,000	
Internal plaster and repairs	1	27,500	27,500	
Remedial works in respect of dampness (provisional sum)	1	11,000	11,000	
Redecoration of interior library	1	55,000	55,000	
Renewal of floor coverings	1	112,500	112,500	
Renewal of doors	1	50,000	50,000	
Structural repairs	1	9,000	9,000	
Supply and installation of reception counter	1	20,000	10,000	Can get counter for less than 10K
Priority 1 Fabric works		<u>£397,500</u>	<u>£387,500</u>	
Repairs and redecoration to windows and external doors	2	17,000	17,000	
Supply and installation of secondary glazing	2	26,500	26,500	
Alterations to main entrance	2	5,000	5,000	
Re-instate brick arches and opening up the children's library	2	15,550	0	Omit - Mainly aesthetic
Creation of open plan office on the first floor	2	30,000	0	Omit - Open plan office not required staffing levels in building have dropped
Creation of new staff facilities on the second floor	2	12,500	12,500	
Refurbishment of WC facilities	2	25,000	25,000	
Repair hardstand area	2	5,000	5,000	
Priority 2 Fabric works		<u>£136,550</u>	<u>£91,000</u>	

MECHANICAL & ELECTRICAL WORKS	Priority	Original Cost Estimates	Full Project inc Archives	Notes
Renewal of boiler	1	100,000	100,000	
Upgrade heating system	1	20,000	20,000	
Installation of two passenger lifts	1	250,000	150,000	
Renewal of wireless fire alarm system	1	32,000	32,000	
RFID Self Service and WiFi ICT works	1	35,000	35,000	
Works to the electrical intake cupboard	1	2,000	2,000	
Priority 1 M & E works		<u>£439,000</u>	<u>£339,000</u>	
The upgrading of the lighting	2	80,000	80,000	
Priority 2 M & E works		<u>£80,000</u>	<u>£80,000</u>	
Total EC Harris works		<u>£1,053,050</u>	<u>£897,500</u>	
Scaffolding	1	150,000	150,000	
Fees Prelims @ 12.5%		150,381	130,938	
Statutory Fees		15,000	15,000	
Sub Total less Statutory Fees		<u>£1,353,431</u>	<u>£1,178,438</u>	
Professional Fees @ 15%		203,015	176,766	
Contingency @ 20%		314,289	274,041	
Total EC Harris works		<u>£1,885,735</u>	<u>£1,644,245</u>	
Library Works			Full Project inc	
	Priority	Original Cost Estimates	Archives	Notes
Stock	1	100,000	100,000	
Space Planning	1	10,000	10,000	
Shelving	1	185,000	185,000	
Self Service Kiosks/Pads/Tags	1	40,000	40,000	
Furniture/Display	1	95,000	95,000	
Temporary Library (Notional)	1	50,000	50,000	
Feasibility/Archive Report	1	15,500	15,500	
Library Total		<u>£495,500</u>	<u>£495,500</u>	

	Priority	Original Cost Estimates	Full Project inc Archives	Notes
Grand Total (without Archives)		<u>£2,381,235</u>	<u>£2,139,745</u>	
Target Cost				
Variance				
CREATION OF ARCHIVES			400,000	
Fees Prelims @ 12.5%			50,000	
Professional Fees @ 15%			60,000	
Archives move and other associated costs allowance (notional)			50,000	
Archives Total			<u>560,000</u>	
Grand Total (with Archives)			£2,699,745	
Target Cost			£2,700,000	
Variance			£255	